

# Organisation Structure

As At 10 May 2005



## PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2005

### **Mr Low Gee Tat** **Executive Chairman**

Mr Low Gee Tat, aged 42, a Malaysian, is the Executive Chairman of AP Land. He holds a Bachelor of Social Science & Law and Politics degree from the University of Keele, United Kingdom. He has been the Executive Director on the Board of AP Land since 22 April 1991. He is a member of the Executive Committee of AP Land.

He is responsible for the Board's overall conduct and effectiveness as well as providing general strategic business direction to the Management, in addition to his specific portfolio for the executive management, overall administration, planning and operations of the Group's hotel arm, comprising the Crown Princess Kuala Lumpur and Ferringhi Beach Hotel Penang. Further, he has also been entrusted with the task of spearheading certain development projects in the Group. He is the Trustee of the National Children Welfare Foundation and the Vice President of the Malaysian Association of Hotel Owners (MAHO).

He is the brother of Mr Low Gee Teong who is a director and deemed substantial shareholder of AP Land. His father, Tan Sri Dato' Low Yow Chuan and his brother, Mr Low Gee Soon are deemed substantial shareholders of the Company. Dato' Jeffrey Ng Tiong Lip, who is his cousin, is the Managing Director of AP Land.

He is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment & management and hotel business. He is also a director of the hotel management company which is providing hotel management services to the hotels in the Group.

Mr Low Gee Tat is deemed to be interested in the related party transactions disclosed on pages 25 to 27 and 83 to 88 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2004.

Mr Low Gee Tat is a deemed substantial shareholder of AP Land. His indirect interest in the shares of AP Land is disclosed on pages 45 and 47 of the Annual Report.

### **Dato' Jeffrey Ng Tiong Lip** **Managing Director**

Dato' Jeffrey Ng Tiong Lip, aged 48, a Malaysian, was appointed to the Board of AP Land on 9 February 1984 and has been holding the position of Managing Director of AP Land since 30 May 1992. He is the Chairman of the Executive Committee and a member of the Audit Committee of AP Land.

He graduated from Monash University, Melbourne with a Bachelor of Economics degree and worked in an international accounting firm in Australia before returning to Malaysia. He has over 20 years of extensive business experience in finance, corporate planning and executive management of business operations in the property and hotel industries.

Dato' Jeffrey Ng is a member of The Institute of Chartered Accountants Australia, Malaysian Institute of Accountants and

the Malaysian Institute of Certified Public Accountants. He was a member of the Young President Organisation (YPO), Malaysia Chapter since 1985, where he served as the Chapter Chairman from 1992 to 1994. He also served as Secretary General of FIABCI (the International Real Estate Federation) Malaysia Chapter from 1994 to 1997 and was the Vice President of the Malaysian Association of Hotel Owners (MAHO) from 1998 to 2002. In November 1999, he was conferred a Fellowship by the Malaysian Institute of Directors.

Currently, he is the President of the Real Estate And Housing Developers Association (REHDA), immediate past Chairman of REHDA Wilayah Persekutuan (KL) Branch, Executive Committee Member of Malaysia Australia Business Council (MABC), Vice President of FIABCI Malaysia Chapter and Board member of Construction Industry Development Board Malaysia (CIDB), a Federal Government agency under the Ministry of Works in Malaysia.

Dato' Jeffrey Ng is the cousin of Mr Low Gee Tat and Mr Low Gee Teong who are directors and deemed substantial shareholders of AP Land. His uncle, Tan Sri Dato' Low Yow Chuan and his cousin, Mr Low Gee Soon are deemed substantial shareholders of AP Land.

He is an executive director of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment and management and hotel business. Dato' Jeffrey Ng is deemed to be interested in the related party transactions as disclosed on pages 25 to 27 and 83 to 88 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He attended 4 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2004.

Dato' Jeffrey Ng does not hold any shares in AP Land.

### **Tan Sri Datuk Seri (Dr) Chong Hon Nyan** **Independent Non-Executive Director**

Tan Sri Datuk Seri (Dr) Chong Hon Nyan, aged 81, a Malaysian, has been an Independent Non-Executive Director of AP Land since 1 December 1992. Tan Sri Chong is the Chairman of the Audit Committee, Remuneration & Nomination Committee and ESOS Committee of AP Land.

He is holder of a Singapore Raffles College Diploma First Class (English) and a Master of Arts (Cantab) from Cambridge University, England (Law Tripos) and had been a Federal Government Scholar. He has previously held the posts of Secretary General, Ministry of Finance from 1971 to 1974, Deputy Finance Minister from 1974 to 1976, Minister in the Prime Minister's Department in 1977, Minister of Health from 1978 to 1983 and Minister of Transport from 1983 to 1984 in the Government. Tan Sri Chong was conferred an Honorary Degree of Doctor of Science by the International Medical University in 2003.

During his service with the Government, Tan Sri Chong has attended meetings of the World Bank, International Monetary Fund, Asian Development Bank, Colombo Plan, World Health Organisation, Commonwealth Finance Ministers and Economic and Social Commission for Asia and the Pacific region (ESCAP) and has often led the Malaysian delegations to such international conferences. He is a Patron of the Boys' Brigade Malaysia, a member of the National Economic Consultative

## PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2005

Council, the honorary Chairman of the Tan Sri Lee Yan Lian Charitable Foundation and the Pro Chancellor of the International Medical University. He is also an Independent Non-Executive Director and Audit Committee member of J.P. Morgan Chase Bank Berhad.

Tan Sri Chong does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest with the Company nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

Tan Sri Chong attended all the Board Meetings of AP Land held during the financial year ended 31 December 2004.

The indirect interest of Tan Sri Chong in AP Land is disclosed on page 45 of the Annual Report.

### **Tan Sri Dato' Hanafiah Hussain** **Independent Non-Executive Director**

Tan Sri Dato' Hanafiah Hussain, aged 78, a Malaysian, was appointed as an Independent Non-Executive Director to the Board of AP Land on 1 October 1993. He is a member of the Audit Committee, Remuneration & Nomination Committee and ESOS Committee of AP Land.

He holds a Bachelor of Arts (Commerce) degree from the University of Manchester, England and is a Fellow of The Institute of Chartered Accountants in England and Wales. He has extensive experience in auditing, finance and banking. Tan Sri Hanafiah was formerly Executive Chairman of Bank Bumiputra Malaysia Berhad from 1990 to 1993, Chairman of South East Asia Bank Ltd. Mauritius from 1990 to 1993, and President of the Associated Malay Chambers of Commerce of Malaysia from 1966 to 1970. He was a founder partner of the firm of chartered accountants, Hanafiah Raslan and Mohamed. He was appointed as an Independent Non-Executive Chairman of Linear Corporation Berhad, a public listed company in year 2004.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

Tan Sri Dato' Hanafiah Hussain is deemed to be interested in the related party transaction disclosed on page 84 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2004.

Tan Sri Dato' Hanafiah does not hold any shares in AP Land.

### **Tan Sri Dato' Lee Kim Sai @ Lee Hoo** **Independent Non-Executive Director**

Tan Sri Dato' Lee Kim Sai @ Lee Hoo, aged 68, a Malaysian, was appointed as an independent non-executive director of Rawang Lakes Sdn Bhd, a wholly-owned subsidiary of AP Land on 1 October 1995. He was appointed as an Independent Non-Executive Director to the Board of AP Land on 15 March 2000. He is a member of the Audit Committee of AP Land.

He was elected as Selangor State assemblyman in 1974. During his appointment, he was also made State Executive Councillor in charge of housing. In 1982, he was elected as a Member of Parliament. He was appointed Deputy Minister in the Prime Minister's Department in June 1983. Subsequently, in 1985, he was appointed Minister of Labour and in 1987 he was appointed Minister of Housing and Local Government. He later served as Minister of Health from 1988 until he retired from the cabinet in May 1995.

Tan Sri Dato' Lee is the Chairman of Metro Kajang Holdings Berhad, a public listed company which is principally involved in project and building management, investment holding and property development and is a director of several private limited companies.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

He has no \*convictions for offences over the past 10 years.

He attended all the Board Meetings of AP Land held during the financial year ended 31 December 2004.

Tan Sri Dato' Lee does not hold any shares in AP Land.

### **Mr Low Gee Teong** **Executive Director**

Mr Low Gee Teong, aged 41, a Malaysian, possesses a Master's Degree in Economics from the University of Keele, United Kingdom. He was appointed as an Executive Director to the Board of AP Land on 22 April 1991. He is a member of the Executive Committee and ESOS Committee of AP Land.

He is primarily responsible for the executive management and operations of the Group's property development arm, including areas of Marketing, Sales and Business Development. He is also directly responsible for the business operations, performance and development of the Group's Tasik Puteri Golf & Country Club in Rawang.

He is the brother of Mr Low Gee Tat who is the Executive Chairman and a deemed substantial shareholder of AP Land. His father, Tan Sri Dato' Low Yow Chuan and his brother, Mr Low Gee Soon are deemed substantial shareholders of the Company. Dato' Jeffrey Ng Tiong Lip who is his cousin, is the Managing Director of AP Land.

He is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which have similar principal activities with the Group such as property development, property investment & management and hotel business.

Mr Low Gee Teong is deemed to be interested in the related party transactions disclosed on pages 25 to 27 and 83 to 88 of the Annual Report.

He has no \*convictions for offences over the past 10 years.

He attended 4 out of 5 Board Meetings of AP Land held during the financial year ended 31 December 2004.

Mr Low Gee Teong is a deemed substantial shareholder of AP

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Land. His indirect interest in the shares of AP Land is disclosed on pages 45 and 47 of the Annual Report.

### **Mdm Woon Siew Choo** **Executive Director**

Mdm Woon Siew Choo, aged 51, a Malaysian, is an associate member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. She is primarily responsible for the Group's Corporate Finance/Planning, Accounting and Taxation functions.

She was the Divisional Director heading the Group's Corporate Finance, Accounts & Tax Divisions from 1 April 1994 to 31 December 2002 before she was appointed to her additional role as Executive Director on 1 January 2003. Mdm Woon was formerly attached to an international accounting firm in United Kingdom and the Federal Hotels Group prior to joining the AP Land Group. She is also a member of the Executive Committee of AP Land.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

She does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

She has no \*convictions for offences over the past 10 years.

She attended all the Board Meetings of AP Land held during the financial year ended 31 December 2004.

The direct interest of Mdm Woon in AP Land is disclosed on page 45 of the Annual Report.

### **Mdm Oh Leen May** **Executive Director**

Mdm Oh Leen May, aged 52, a Malaysian, is a member of the Institute of Chartered Secretaries & Administrators, Association of Chartered Certified Accountants and Malaysian Institute of Accountants. She was appointed as the Company Secretary of AP Land Group on 1 January 1985. She is primarily responsible for the Group's Company Secretarial & Corporate Services as well as the Administration Divisions.

She was the Divisional Director heading the Group's Company Secretarial, Corporate Affairs and Administration Divisions between 1 January 1994 to 31 December 2002 before she was appointed to her additional role as Executive Director on 1 January 2003. Prior to joining the AP Land Group, Mdm Oh had 8 years relevant experience in a similar capacity attached to a large organisation. She is also a member of the Executive Committee of AP Land.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

She does not have any conflict of interest nor any personal interest in any business arrangement involving the Company.

She has no \*convictions for offences over the past 10 years.

She attended all the Board Meetings of AP Land held during the financial year ended 31 December 2004.

Mdm Oh does not hold any shares in AP Land.

### **Mdm Low Su Ming** **Executive Director**

Mdm Low Su Ming, aged 39, a Malaysian, graduated with a Bachelor's Degree in Science (Architecture) from the University of New South Wales, Australia. She was appointed as an Executive Director of AP Land Group on 22 April 1991.

She is directly responsible for the executive management, business performance and operations of the Group's Property Investment Division, namely, the Empire Tower office building and City-Square Shopping Centre, in addition to the Architectural, Design and Project/Property Planning portfolios that serve all of the Group's Business Divisions.

She is a member of the Executive Committee of AP Land Group. She is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which are principally involved in property development, property investment and management and hotel business.

Mdm Low Su Ming is the sister of Mr Low Gee Tat and Mr Low Gee Teong who are directors and deemed substantial shareholders of AP Land.

### **Mr Low Gee Soon** **Executive Director**

Mr Low Gee Soon, aged 36, a Malaysian, graduated in 1988 with a Diploma in Business and Management Accounting from the University of Technology, Sydney. He was appointed as an Executive Director of the AP Land Group on 25 June 1992.

He is primarily responsible for the executive management and operations of the Group's property development arm, majoring in the areas of Finance, Procurement, Property Management Services, Project/Construction Management, Contracts Administration; as well as for General Administrative functions including the Human Resources portfolio of the Group.

He is also a member of the Executive Committee and ESOS Committee of AP Land Group. Mr Low Gee Soon is also an executive director and/or substantial shareholder of several private limited companies in the Low Yat Group which are principally involved in property development, property investment and management and hotel business.

Mr Low Gee Soon is the brother of Mr Low Gee Tat and Mr Low Gee Teong who are the directors and deemed substantial shareholders of AP Land. He is a deemed substantial shareholder of AP Land.

### **Mr Loke Mun Kit** **Area Director**

Property & Project / Construction Management

Mr Loke Mun Kit, aged 48, a Malaysian, graduated from a local College with a Diploma in Building Technology and also possesses a post-graduate Master's Degree in Business Administration from the International Commercial Management Institute, United Kingdom. He is a Chartered Builder by profession and is a member of the Chartered Institute of Building, the Commercial Management Institute and the Institute of Professional Managers and Administrators, United Kingdom.

Mr Loke joined AP Land Group on 1 November 1999 and at present is directly responsible for all aspects of Property

\* Convictions other than traffic offences

## PROFILE OF DIRECTORS, COMPANY SECRETARIES & MANAGEMENT TEAM AS AT 10 MAY 2005

Management Services in respect of the Group's residential developments, namely, the Bandar Tasik Puteri township in Rawang and Mount Pleasure Resort in Penang. In addition, he is entrusted with the project and construction management of the Group's property developments other than Bandar Tasik Puteri.

Prior to his present appointment, Mr Loke has held positions such as Vice President (Construction Division) for a local public listed company, Managing Director of a private project management and development company and was also a former Council Member of The Chartered Institute of Building Malaysia.

### **Mr Lee Kok Wah**

#### **Area Director**

Project / Construction Management

Mr Lee Kok Wah, aged 52, a Malaysian, graduated with a Bachelor of Science (Housing, Building and Planning) Honours Degree from Universiti Sains Malaysia (USM) and is a member of the Malaysian Institute of Arbitrators.

Mr Lee joined AP Land Group on 2 May 2002 and is at present directly responsible for the project and construction management of the Group's flagship development, the Bandar Tasik Puteri township in Rawang. He has in excess of 27 years of related working experience in the field of property development and construction management, having completed a variety of projects, ranging from commercial, industrial, resort to residential, both locally and overseas. Prior to his present position, Mr Lee was, inter-alia the senior general manager of the property division for a listed company in Malaysia, the vice president (projects) overall responsible for project management and construction activities of developments undertaken by a Malaysian listed company in Subic Bay, Philippines and senior manager (projects) for a company incorporated in the Philippines responsible for the planning and construction of an integrated development comprising a hotel, casino, office block and holiday resort.

### **Mr Stephen Yang Kok Chee**

#### **Area Director**

Marketing, Sales & Business Development

Mr Stephen Yang Kok Chee, aged 49, a Malaysian, graduated with a Bachelor's Degree in Science from Middlesex University and Master of Administration from Monash University, Australia.

He joined AP Land Group on 17 November 1997 and is at present responsible for the Marketing and Sales functions for the Group's Property Development Division.

Mr Stephen Yang has in excess of 20 years of working experience in property sales and marketing as well as retail complex management, and was formerly the complex manager of Plaza Yow Chuan Shopping Complex, centre manager of Westfield Shopping Town, Australia and general manager of City-Square Shopping Centre.

### **Mr Wee Beng Sang**

#### **Director**

Architectural, Planning & Property Services

Mr Wee Beng Sang, aged 44, a Malaysian, graduated as an Architect from Universiti Teknologi Malaysia (UTM) and is a corporate member of the Board of Architects Malaysia (LAM), the

Malaysian Institute of Architects (PAM) and the Malaysian Institute of Interior Designers (IPDM). He is also a past member of PAM's Practice and Housing Committees.

Prior to joining AP Land Group on 1 April 1994, he served as the Director of Architecture for Low Yat Group. He is at present responsible for the architectural, planning, design/product development, property and interior services, servicing all Business Divisions in the Group. His scope includes liaison with all relevant governmental/quasi-governmental authorities on the Group's project planning and development approvals. He is also responsible for the implementation of quality assurance and quality control (QAQC) processes/procedures.

Overall, Mr Wee has in excess of 19 years of related working experience in commercial, industrial, residential and township developments.

### **Mr Steven Chong Lim Yoke**

#### **Director**

Group Sales & Marketing (Hotel Division)

Mr Steven Chong Lim Yoke, aged 44, a Malaysian, graduated in 1987 in Hotel Management from Stamford & Hotel Consult-Switzerland. Prior to his present appointment on 9 July 2001, he held positions as hotel manager of The Federal Kuala Lumpur and Hotel Fairlane Kuala Lumpur.

He is at present responsible for the Marketing and Business Development functions as well as overseeing the operational aspects in an acting capacity for the Group's Hotel Division.

He has 24 years of related working experience in all aspects of hotel operations, with particular strength in Sales and Marketing.

### **Mdm Chan Kam Lye**

#### **Company Secretary**

Mdm Chan Kam Lye, aged 43, a Malaysian, is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She is responsible for the company secretarial functions of the Group. She joined the Group in 1988 as a Company Secretary and was later appointed as a Joint Company Secretary of AP Land in 1992. Prior to joining the Group, she was attached to a firm providing share registration services.



# Chairman's Statement

2004 was an important year, not just for AP Land but also the country's economy as a whole.

Although the year began on a cautious note, the middle of the year saw the return of optimistic market sentiment, no doubt in part thanks to the Government's resounding victory in the general elections. Amidst rising oil prices, the economy still registered convincing growth over the previous year on the back of strong fundamentals. GDP growth for 2004 was 7.1% compared to 5.3% in 2003, the fastest growth since 2000.

Key economic indicators all point towards continued steady growth for both the property industry and the economy. The Kuala Lumpur Composite Index breached the 900-points mark in 2004, private consumption hit 10.1% and inflation remained low at 1.4%. Both the consumer sentiment and retail trade indices remained above the 100-points mark throughout the year.

The continued low-interest rate regime and competitive banking sector contributed towards enabling first-time house buyers to purchase their dream homes. In 2004, RM52.4 billion worth of loan applications were made for the purchase of residential properties whilst loan approvals stood at RM35.7 billion. One important trend advantageous to the Group's business is the rise in per capita income to an estimated RM16,538 in 2004, a sure sign that

purchasing power is going up.

## RESULTS

Within this macroenvironment, there are still challenges within the various sub-sectors that AP Land has to overcome to improve its performance.

Overall, the Group recorded total revenues of RM169 million in 2004 compared to RM240 million in 2003, while profit before tax was RM14.9 million in 2004 compared to RM24.9 million the year before. However, the figure for 2003 included an exceptional gain of RM6.1 million from the disposal of the Rushcutters Harbourside Hotel Sydney and a piece of land at Jalan Walter Grenier, Kuala Lumpur.

The Property Investment and Hotel Divisions, both recorded improved performances on the back of the positive macroeconomic environment and strategies put in place from the previous year. However, the Property Development Division brought in lower profits and still faces immense competition.

## PROPERTY DEVELOPMENT

The Property Development Division recorded lower revenues and profits in 2004 compared to the year before due to keen competition from even more new residential developments coming into the market.

The intense competition within the property development sector in the North Klang Valley

"The Group will strive to overcome the challenges it currently faces and use its resources to devise and formulate strategies to strengthen its performance."



Executive Chairman,  
**Mr Low Gee Tat**

## Chairman's Statement

necessitated changes in housing lot sizes and marketing strategies for Bandar Tasik Puteri. This meant inevitable delays in new launches resulting in lower sales. Hence we suffered overall lower progress billings and thus lower revenues. Much needs to be done and the Property Development Division has to work hard to overcome these challenges and continuously put in place strategies to keep up with the needs of the market so as to at least maintain its performance in 2005.

The Group's maiden high-end development in Kuala Lumpur will be launched this year. This high-end development is not expected to contribute towards the Group's profit in 2005, but is expected to do so in subsequent years.

### PROPERTY INVESTMENT

For the year under review, the Property Investment Division remains the Group's most stable performer. This Division's improved contribution in 2004 is attributable to higher occupancy and average rental rates.

Occupancy rates and yields for this Division has the capacity to further improve in 2005. The integrated 3-in-1 concept that is the Empire Tower, Crown Princess Kuala Lumpur and City~Square Shopping Centre is unique, and all three management teams are working together to build upon this advantage.

### HOTEL

Tourist arrivals reached 15.7 million in 2004 compared to 10.6 million in 2003, and the country's average occupancy rate of hotels rose to over 60% for the first time since 1996. Average room rates for hotels in Malaysia also increased and this benefited the Hotel Division. Both the Crown Princess Kuala Lumpur and Ferringhi Beach Hotel Penang posted profits. The past year's strategies have begun to yield results with improvements in revenues from both these hotels. However, the Malaysian hospitality industry remains sensitive to the global terrorism threat and the occurrence of unforeseen events.

The divestment of the Rushcutters Harbourside Hotel Sydney in October 2003 has reduced this division's overall contribution to the Group's 2004 revenues. Last year's figures included ten months' results of the Rushcutters Harbourside Hotel Sydney. The division turned profitable in 2004 with a profit before tax of RM1.8 million versus a loss before tax of RM1.5 million the year before.

The Hotel Division's outlook for 2005 is positive as the Ministry of Tourism targets 16.7 million tourist arrivals this year. The Division has embarked on several new plans to increase its market share and enhance its competitiveness through progressive refurbishment of its rooms and facilities.

### GOLF CLUB

A new 9-hole golf course is under construction at the Tasik Puteri Golf & Country Club and the Club continues to garner a good reputation among the golfing community. Last year, it was voted among the top 20 best golf courses in the country by Golf Malaysia magazine readers. In 2004, the Club achieved a marginal profit of RM76,350 compared to RM225,000 in 2003.

### CORPORATE DIRECTION

The Group will strive to overcome the challenges it currently faces and use its resources to devise and formulate strategies to strengthen its performance.

As mapped out in the past years, the Group will continue with its efforts to pare down its gearing by rationalising the Group's assets to unlock value as well as through divesting non-core assets. Over the last five years from 2000 to 2004, total Group borrowings have reduced from RM549 million to RM385 million.

We will also implement enterprise-wide control measures to stringently and effectively cut expenditures towards achieving an optimal cost-efficient structure for the Group.

The Group continues to source for new landbanks to cater for our future expansion and seek strategic joint-ventures



*Artist's impression of 'myHabitat' serviced residences.*



*The 3-in-1 integrated commercial complex known as City~Square Centre comprising the Empire Tower, City~Square Shopping Centre and Crown Princess Kuala Lumpur.*



*Bandar Tasik Puteri Terrace Houses.*

## Chairman's Statement

with landowners. Besides new launches in Bandar Tasik Puteri, luxury housing developments in Kuala Lumpur and Penang are already underway, keeping with current market trends that show an enhanced interest in these types of lifestyle properties.

### HUMAN RESOURCES

In order to achieve higher efficiency in performance and to improve our cost-income ratio, the Group will pursue a policy for expanding the roles of its human capital in functional, operational and marketing departments.

We will offer on-the-job training and workshop development programmes to enhance our employees' skills and create a strong sales and service-oriented culture and workforce.

### ENVIRONMENTAL EFFORTS

We will strive to be more vigilant than ever in our consumption of nature's resources, both at project sites, our hotels and our work places. No open burning of construction debris is allowed and any contractor caught violating this regulation is penalised.

We also have several recycling programmes in place. At the Tasik Puteri Golf & Country Club, for instance, we conserve water and reduce the use of chemicals on the course greens. At Ferringhi Beach Hotel Penang, used cooking oil is recycled for use in oil lamps to light up the poolside. Guests are also requested to place an 'environmental tent card' on the bed should they wish to reduce the frequency of having their bedsheets and towels laundered to save water and reduce the use of detergent. Early this year, the Crown Princess Kuala Lumpur converted its swimming pool to a salt water pool which eliminated the use of chlorine. The hotel also uses environmentally-friendly, biodegradable cleaning and washing chemicals.

The Hotel team is also in the midst of studying the possibility of converting food leftovers and kitchen waste into fertilizer compost for gardening in our landscaping beautification programme.

### COMMUNITY EVENTS

The Group organised several charity drives and events particularly at the hotels to bring cheer to senior citizens and underprivileged children. We have also increased our emphasis on arts and cultural heritage through events organised

by the City-Square Shopping Centre.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our deepest appreciation to fellow Board members and our Group's Adviser, Tan Sri Dato' Low Yow Chuan for their invaluable services rendered to the Group during the year. I also wish to thank the management and staff of the Group for their commitment and dedication on the job.

I would also like to extend our sincere appreciation to our shareholders, clients, bankers, business associates and authorities for their continued support.

**LOW GEE TAT**  
Executive Chairman  
19 May 2005



*The Tasik Puteri Golf & Country Club has a friendly 18-hole golf course and a resort-styled clubhouse.*



*The Crown Princess Kuala Lumpur.*



*The Crown Princess Kuala Lumpur is one of Kuala Lumpur City's popular meetings and conferences destinations.*



# Managing Director's Report



"The year 2004 challenged the Group in many ways. But with the economy on a healthy rebound, and by adopting a strategy of prudent management, we were able to improve upon the results of the Property Investment and Hotel Divisions from 2003. The Property Development Division, however, registered lower revenues in the face of tough competition."

Managing Director,  
**Dato' Jeffrey Ng Tiong Lip**

The following is my report for the Group's operations for the year 2004.

## OVERVIEW OF OPERATIONS

The Group recorded total revenues of RM169.2 million for the year under review as compared to RM240.3 million in 2003. Profit before tax for the Group was RM14.9 million in 2004 compared to RM24.9 million in 2003. The decline was mainly due to lower progress billings from the Property Development Division while the Property Investment and Hotel Divisions both registered improved performance. It should be noted, however, that the Group's profits before tax for 2003 included an exceptional gain of RM6.1 million from the aforesaid disposal of the Rushcutters Harbourside Hotel Sydney and a piece of land in Kuala Lumpur.

The Property Development Division continued to be the major contributor to the Group's revenues by posting 61% of the Group's revenues at RM103 million. However, its contribution to the Group's profits before tax in 2004 reduced to 39% at RM5.8 million from RM14 million in 2003.

The Property Investment Division turned in a strong performance for the year, contributing 16% of the Group's revenues at RM27 million, an increase of 6% over 2003's contributions. This Division posted 71% of the Group's profits before tax for 2004 at RM10.5 million.

The Hotel Division returned to profitability even though revenues decreased from the year before. For 2004, the Division posted revenues of RM35 million for the Group, contributing 21% to the Group's revenues and 12% of profits before tax at RM1.8 million. Revenues for 2003 included income from the Rushcutters Harbourside Hotel Sydney from January 2003 to October 2003, before it was disposed.

## ASIA PACIFIC LAND BERHAD GROUP PERFORMANCE

Division	Revenue		Profit/(Loss) Before Tax	
	RM'000 2004	RM'000 2003	RM'000 2004	RM'000 2003
Property Development	102,860	164,572	5,770	13,593
Hotel	34,690	47,635	1,842	(1,479)
Property Investment	26,942	23,059	10,493	8,704
Golf Club & Others	4,724	5,089	(3,242)	(1,986)
	<b>169,216</b>	<b>240,355</b>		
Profit before exceptional items			14,863	18,832
Add:				
Gain on disposal of properties			-	6,108
Profit before tax			<b>14,863</b>	<b>24,940</b>

## PROPERTY DEVELOPMENT

The Property Development Division recorded lower revenues and profit before tax in the financial year under review compared to 2003. The division's revenues declined by RM62 million to RM103 million in 2004 whilst profit before tax declined by RM7.8 million to RM5.8 million.

The Group's flagship development, Bandar Tasik Puteri is one of North Klang Valley's most significant developments. This division faced challenges brought about by the healthy economy in the form of strong competition from numerous property developments mushrooming in the vicinity of Bandar Tasik Puteri. Although demand remained stable, the supply of houses increased in the locality surrounding Bandar Tasik Puteri.

The Group sold 169 landed residential units and 198 apartment units together with 38 shop units at a total sales value of RM52 million. This is a decline against year 2003's sales of 883 units collectively valued at RM103 million. Apart from intense market competition, this decline is due to external factors affecting house buyers' decision-making. Lower progress billings of RM101 million for 2004 compared to RM160 million in the year 2003 from Bandar Tasik Puteri also reduced the division's revenues. We delivered vacant possession of 1,180 units in 2004 compared to 1,521 the year before and plan to hand over a further 1,077 units in year 2005.

Sales and marketing strategies for Bandar Tasik Puteri will continue to evolve focusing on the level of affordability and purchasing power of home owners. A successful "Home Upgrade" campaign was launched earlier this year, offering flexible home enhancement packages to purchasers to furnish and decorate their homes. We are selling completed ready-to-move-in houses which offers attractive interest savings to purchasers. To be competitive in the foreseeable future, we are reconfiguring our housing lots into more marketable units and have expanded the Group's products types to meet market demands.

We will continuously review and implement our marketing promotions to cater to current customer expectations to attract first homebuyers and also those wishing to upgrade their homes. Further urban migration and upgrading will increase future demand in the Klang Valley. Half the Malaysian population is below 26-years old, but as this younger population joins the workforce and have families over the next few years, their needs for house ownership must be fulfilled. We will continue our drive towards improving product quality, productivity and reducing costs.

We will also increase our efforts to promote Bandar Tasik Puteri



Artist's impression of Perdana Park Apartment of Bandar Tasik Puteri. The Apartment was launched for sale in 2004.

Dato' Jeffrey Ng briefing Y.A.B. Dato' Sri Mohamed Najib bin Tun Hj. Abdul Razak, Deputy Prime Minister (on his left) and Y.B. Dato' Seri Ong Ka Ting, Minister of Housing & Local Government (from right) looking at the master plan of Bandar Tasik Puteri, Rawang at the Malaysia Property Expo (National Level) held at Mid Valley Exhibition Centre.

as an Urban Regional Centre in the northern part of Selangor and persuade the relevant authorities to play their part in implementing community facilities to make it the most vibrant township in the Mukim of Rawang. Bandar Tasik Puteri currently offers facilities such as schools, shops, a golf course, bus services, a *surau* and *pasar malam*. In the future, there will be petrol stations, a 32-acre interactive recreational park, a food court and a hypermarket.

However, the new supply of residential developments has been rising over the last two years, and this trend is expected to continue. Buyers are spoilt for choice and Bandar Tasik Puteri will see tough competition in light of many new property launches. Although the current low interest-rate policy and easy accessibility to loans from financial institutions will no doubt support demand in the medium term, banks are getting increasingly more cautious and selective in their lending approach. Profit margins are expected to be eroded. However, we will strive to better manage our current business model and improve our cost-income ratio.

City centre living has once again become a preferred lifestyle choice for those in the higher income threshold, especially around the Kuala Lumpur City Centre area. Several successful launches took place in the city centre in 2004 which included, inter-alia, a 165-unit, two-tower condominium project priced between RM1,200 to RM1,300 per square foot. Another project on Jalan Tun Razak launched at RM600 to RM700 per square foot. In all, more than sixteen up-market apartment projects totalling more than 3,000 units were launched in 2004 or are due to be launched in the city centre in 2005.

The Group's entry into the high-end market segment will be marked by the launch of 'myHabitat' serviced residences in the second quarter of 2005. Our venture into the city residential property sector is in tandem with rising demand for upmarket high-rise residential developments. The 300 exclusive apartments, priced between RM500 to RM700 per square foot with its modern contemporary and private lift lobby layout design, will offer all units the same excellent panoramic view of the city and the highest levels of security and privacy for its occupants. Each unit will have between one to five car parks for added convenience, and buyers have the luxury of choosing between several designs and built-up areas.

'myHabitat' is situated on a 1.4-acre freehold plot of land off Jalan Tun Razak, adjacent to the Group's signature 3-in-1 integrated City-Square Centre. Its prime location in the Embassy Row, not far from the Petronas Twin Towers and Royal Selangor Golf Club will no doubt prove to be a winning combination. Furthermore, the "Malaysia - My Second Home Programme", which allows foreigners to purchase up to two homes in Malaysia costing above RM150,000 each, also augurs well for 'myHabitat'.

Our established development in Batu Ferringhi, Penang, comprising a resort-styled enclave of condominiums and villas will see a rebranding exercise with a proposed 121-unit-condominium tower to be launched this year.

Amidst a challenging and competitive environment, the Property Development Division will strive to at least maintain its performance in 2005. 'myHabitat' is not likely to contribute towards the Group's profits in 2005 but is expected to do so in subsequent years.

### PROPERTY INVESTMENT

The Property Investment Division of the Group continued to show steady growth. In 2004, it registered a profit before tax of RM10.5 million, an increase of RM1.8 million over the previous year. The division's revenue increased by RM3.8 million to RM26.9 million in the same year.

Part of the success of this division in 2004 is attributable to Empire Tower's strategic location in the city centre and its accessibility from major highways along with its proximity to public transport makes staffing and support resources very easy to employ. Coupled with the fact that it provides 24-hour security and comprehensive facilities, it continued to perform well in 2004.

The Empire Tower contributed RM7.6 million in profit before tax to the Group on the back of RM15.1 million in revenues in year 2004, compared to RM5.8 million in profit before tax and revenues of RM12.4 million in year 2003. The average rental rate of Empire Tower increased by 10% while average occupancy rose to 85% compared to 76% in 2003, above the city's average occupancy of purpose-built office space of 79.7% in 2004. This improved performance stems from the addition of a renowned major new tenant to the building, as well as the management's overall success in retaining current tenants.

We will drive Empire Tower's performance by improving and upgrading its facilities and maintenance. Security is continually enhanced wherever possible. Our marketing strategies and efforts are targeted at foreign embassies, multinational corporations and information and communications technology (ICT) companies to take up the balance vacant space. This is part



## Managing Director's Report

of our market positioning to obtain a better tenant mix and improve rental rates in the Empire Tower.

In 2004, total office space supply in Kuala Lumpur stood at 62.9 million square feet but the new supply of prime offices in the city centre is very limited, notwithstanding the expected 241,400 square feet of new space that will enter the market in year 2005. Rental rates for prime buildings are expected to further improve in 2005 and 2006. With our strategies in place and the Empire Tower being a well regarded Grade-A prime office building in the city, it is well positioned to enjoy higher occupancy and rental rates. In addition, renewals at higher rentals throughout the year 2004 shall flow through the full year in 2005.

The City~Square Shopping Centre also experienced an increase in occupancy from 69% in 2003 to 76% in 2004, taking it closer to the average market occupancy rate around the Ampang/Bukit Bintang area. However, it maintained its average rental rates in year 2004. The City~Square Shopping Centre contributed RM11.7 million to the Group's revenues in 2004 compared to RM10.5 million in 2003. Profit before tax declined to RM2.9 million in year 2004 from RM3.1 million the year before, mainly due to increased costs of administration, maintenance and marketing. The promotional activities embarked upon are part of the Group's strategic plans to build awareness and the repositioning of the City~Square brand.

In 2004, several new shopping complexes opened for business within the Klang

Valley, bringing retail space in the city to 19.6 million square feet. The City~Square Shopping Centre faces many challenges, not least of which is competition from newer and larger shopping complexes in the vicinity.

Our strategy to improve City~Square Shopping Centre's performance includes differentiating it from these mega shopping centres and repositioning it as a specialty "Lifestyle Shopping Destination Centre" with modern trades and products that focus on the finer things in life. It will carve itself a niche as a centre dedicated to established brand names in home and office furnishings, home wares and appliances, interior design decorative accessories and arts and crafts. It will also offer added conveniences such as exclusive food and beverage outlets, fashion labels and facilities to cater to the needs of the shoppers, their family and friends. This will reinforce the position and branding of City~Square Shopping Centre in Kuala Lumpur.

Our integrated 3-in-1 concept that links the Empire Tower, Crown Princess Kuala Lumpur and City~Square Shopping Centre is a unique value proposition to our customers. Business synergies and convenience derived from the shopping complex, hotel and office tower will enable it to maintain its competitiveness.

Facilities and services at City~Square Shopping Centre will continue to be upgraded and more promotional activities will be planned to enhance public awareness of the centre's new attractions. The centre's exposure through the mass media

will increase. We will also seek a better tenancy mix besides building customer loyalty, as part of the Group's overall business strategies.

With our focused strategies in place, the Property Investment Division is expected to perform better in 2005.

### HOTEL DIVISION

Overall, the Hotel Division contributed RM34.7 million to the Group's revenues in 2004 compared to RM47.6 million in 2003. This decrease is partly due to the divestment of The Rushcutters Harbour-side Hotel Sydney in October 2003.

The good news is that the Hotel Division has returned to profits on the back of tighter cost controls and a strong business performance from the Crown Princess Kuala Lumpur. The Hotel Division achieved a profit before tax of RM1.8 million versus a loss before tax of RM1.5 million in 2003.

In the post-SARS period, tourist arrivals in Malaysia reached a record high of 15.7 million in 2004 compared to 10.6 million in 2003. The average occupancy rate of three-to-five star hotels in Kuala Lumpur stood at 67.2% in 2004.

The Crown Princess Kuala Lumpur's revenue increased by 21% to RM26.7 million in 2004 from RM22.1 million in 2003 and turned around to record a marginal profit of RM751,000 in year 2004 from a loss of RM3 million the year before. It recorded an average occupancy rate



Y.B. Datuk Dr. Leo Michael Toyad, the Minister of Tourism (centre) and Indian High Commissioner Mr. R.L. Narayan (second from right) launching the Fabulous Indian Fair at City~Square Shopping Centre. With them (from left) are Mdm Low Su Ming, AP Land Group's Executive Director, MIC president Y.B. Dato' Seri S. Samy Vellu's wife Datin Seri Indrani and AP Land's Managing Director Dato' Jeffrey Ng.

7th APL Golf Tournament held at Tasik Puteri Golf & Country Club on 29 August 2004.



## Managing Director's Report

of 56% in 2004. This is an improvement over the 43% occupancy rate achieved in 2003, and is due to its increased efforts to attract leisure and business travellers from the domestic and Asian markets plus additional foreign tourists arrivals from India and the Middle East. Average room rates of the Crown Princess Kuala Lumpur declined by 2% in 2004 as it strategised to ensure a higher volume of base business, particularly during the low seasons.

The Ferringhi Beach Hotel Penang posted a pre-tax profit of RM552,000 from a loss of RM51,000 the year before. The hotel achieved a revenue of RM8 million in 2004 compared to RM6.9 million in 2003. Its average occupancy rose to 48% from 44% the year before. Average room rates increased by 4%. This success is due to stringent cost controls, besides renovations of the deluxe rooms and an aggressive marketing drive to promote the resort hotel.

Nonetheless, challenges lie ahead for the Hotel Division. Compounded by the recent unrest in Southern Thailand, fears of terrorism in the region persist despite the Government's continued efforts to correcting this misconception. The avian flu outbreak and recent natural disasters in the region further discouraged holiday makers against visiting various Asian tsunami-affected destinations. Ferringhi Beach Hotel Penang's uptrend in occupancy is challenged by the recent tidal wave last year and subsequent earthquakes in Indonesia. We expect low occupancy rates in the short term as foreign tourists and locals alike avoid beach hotels in the South-East Asian region. Further cost-cutting measures need to be implemented along with more efforts to promote the hotel to domestic tourists until confidence returns and normal travelling patterns resume.

There were 60 three-to-five star hotels in Kuala Lumpur as at December 2004, offering a total of 21,367 rooms, and 26 hotels in the same bracket in Penang, which offered a total of 7,984 rooms. As at December 2004, 15 hotels offering 5,126 rooms were under construction in Kuala Lumpur and 2 new hotels comprising 471 rooms were under construction in Penang.

The Crown Princess Kuala Lumpur shall face keen competition from four-to-five star hotels in Kuala Lumpur and the growing Meetings Incentive Conference

Exhibition (MICE) venues in Kuala Lumpur, the latest of which will be the largest convention centre in Kuala Lumpur when it opens soon. To remain competitive, the hotel has put strategies in place to improve its product offerings and services to reach a broader market and shall strive to achieve a better performance in 2005.

Besides carrying on with our progressive refurbishment programme to enhance the Hotels' product and facilities, we will continue our marketing drive to promote both domestic and international tourism by working closely with Tourism Malaysia. Our Hotels will continue to target the higher yield market segments namely business travellers, embassies and the MICE market segments.

The outlook for year 2005 is positive for the Hotel Division with the Government targeting 16.7 million tourist arrivals this year. We will also increase our efforts to target travellers from ASEAN, the Middle East, India and Asia Pacific. Some of these marketing initiatives look promising, in view of the potential business out of India, Korea and Japan. Our Hotels are being featured in more wholesale and airline programmes and we are optimistic about the growth of direct global Internet bookings as a source.

### GOLF CLUB

The Tasik Puteri Golf & Country Club was voted the 18th best golf course in Malaysia in 2003/2004 in a readers' poll conducted by Golf Malaysia magazine. Revenues from the Club, located in Bandar Tasik Puteri, decreased to RM4.7 million in 2004 from RM5.1 million in 2003. Facilities at this Club continue to be expanded to cater for increased business, and the construction of a new 9-hole golf course is underway which is scheduled to be completed in 2005. Profit before tax for the Club went down from RM225,000 in the year 2003 to RM76,350 in 2004 due to lower patronage of golfers from the locality affected by the temporary closure of the North Klang Valley Expressway at Bukit Lancang.

### CORPORATE DIRECTION

The year ahead will be very challenging for the Group. We will remain focused in our existing strategies to manage our balance sheet, improve assets yields and build up

our resources. We will also continue to further pare down our borrowings through the disposal of non-core assets and via rationalisation of the Group's assets to unlock their values. We will also strive to improve upon our profits on the back of a leaner cost and human resource structure. This will increase shareholder value as we place ourselves on firmer financial footing to take on the opportunities of a buoyant market environment.

Efforts will be redoubled towards making the Property Development Division more sustainable, competitive and resilient. We look forward to a better year ahead with the launch of the 'myHabitat' serviced residences in the Kuala Lumpur city this year. Market indicators all point towards an increasing demand for upmarket properties in the city centre. Although we will be tested by competition from similar product offerings, the Group will be aggressive in its efforts to gain a share of the high-end market.

We will also focus on building our brand positioning through well-designed products and by increasing our corporate profile. Our operations will be strengthened to become more customer-focused and to provide better facilities and services to our tenants in the Property Investment Division. We will step up our hotels' marketing efforts to attract higher yield market segments, particularly internet savvy business and leisure travellers via our group website and reservation engine as well as global internet partners. Times like these constantly require new business strategies, dedication and teamwork from all staff. Last year, we unveiled AP Land's new brand image. This year, we are committed towards establishing ourselves as one of Malaysia's premier property conglomerates.

### DATO' JEFFREY NG TIONG LIP

Managing Director  
19 May 2005



# STATEMENT ON CORPORATE GOVERNANCE

## A. THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

On March 2000, the Finance Committee on Corporate Governance issued the Malaysian Code on Corporate Governance ("The Code on CG"). The Code on CG sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. The Board of Directors of AP Land recognises the importance of the Code on CG and is continually evaluating the corporate governance practices adopted by the Group and taking the necessary steps in enhancing its management practices and systems to be in line with the underlying principles and the best practices of the Code on CG.

The Board of Directors of AP Land is pleased to report on the manner the Company has applied the principles of the Code on CG and compliance with the best practices provisions.

The Board has complied with the best practices set out in the Code on CG except for matters specifically identified.

## B. BOARD OF DIRECTORS

### 1. BOARD COMPOSITION, DUTIES AND RESPONSIBILITIES

The Board of the Company consists of 8 members comprising the Executive Chairman, the Managing Director, three Independent Non-Executive Directors and three Executive Directors. Together the Directors bring a range of business and financial experience, skills and knowledge relevant to the Board for it to discharge its duties effectively. The background of the Board of Directors are set out on pages 10 to 12 of this Annual Report.

The composition of the Board complies with the Listing Requirements of Bursa Malaysia Securities Berhad ("the Listing Requirements") which requires at least one third of the Board to consist of independent directors. The Board is of the view that three independent directors fairly reflect the interests in the Company by the minority shareholders.

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the resources, investments and businesses of the Group.

The following are specific areas of responsibilities of the Board:

- Strategic plans of the Group
- Monitoring the conduct and management of the Group's business
- Identification of risks and ensuring appropriate systems for risk management
- Succession planning for senior management
- Investor relations programme and shareholder communications policy
- Internal control system

The Board is headed by the Executive Chairman, Mr Low Gee Tat. The former executive chairman, Tan Sri Dato' Low Yow Chuan is the Group Adviser in respect of all matters pertaining to the property development, property investment and management and hotel business of the Group. The Board is assisted by an Executive Committee which comprise an experienced management team made up of professionals from relevant backgrounds with the necessary skills, knowledge, business and financial experience to manage the Group's business operations.

The roles of the Executive Chairman and Managing Director are separate and each has a clearly accepted division of responsibilities. The Executive Chairman is responsible for ensuring board effectiveness and conduct and providing general strategic

business directions to the Management. The Executive Committee led by the Managing Director, Dato' Jeffrey Ng Tiong Lip, is primarily responsible for managing the day to day affairs of the Group and for making operational decisions and implementing strategic directions and policies of the Group. The Executive Chairman, Mr Low Gee Tat is also responsible for the executive management of the business operations of the Hotel Division.

The three Independent Non-Executive Directors, Tan Sri Datuk Seri (Dr) Chong Hon Nyan, Tan Sri Dato' Hanafiah Hussain and Tan Sri Dato' Lee Kim Sai are persons of calibre, credibility, seniority and with vast exposure and experience and play a supporting role in providing a broader view, independent and balanced assessment and opinions of proposals from the Executive Directors. All the Independent Directors are considered by the Board to be independent of Management and are acceptably free from any significant business or other relationship that would materially interfere with the exercise of their independent assessment.

The Board has identified the Independent Non-Executive Directors, Tan Sri Datuk Seri (Dr) Chong Hon Nyan, Tan Sri Dato' Hanafiah Hussain and Tan Sri Dato' Lee Kim Sai as the directors to whom concerns of the management and directors may be conveyed.

### 2. BOARD MEETINGS AND SUPPLY OF INFORMATION

The Board meets at least 5 times a year. Additional meetings are held as and when required. The Board also resolves additional matters which requires the Board's approval during the intervals between scheduled Board Meetings through circulation of Directors' resolutions as and when necessary.

The Executive Chairman is responsible for organising the Agenda for Board Meetings and providing the necessary information to the Board on a timely basis.

The members of the Board are provided in advance of the Board meeting with a Board Agenda and a set of papers comprising reports and other relevant information to enable the Board to discharge its responsibilities.

During the financial year ended 31 December 2004, 5 Board Meetings were held on 24 February 2004, 19 April 2004, 24 May 2004, 23 August 2004 and 22 November 2004. The following is a record of the attendance of the Board Meetings by the Board of Directors:

Name of Directors	Attendance at
	Board Meetings held in year 2004
Mr Low Gee Tat	5/5
Dato' Jeffrey Ng Tiong Lip	4/5
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	5/5
Tan Sri Dato' Hanafiah Hussain	5/5
Tan Sri Dato' Lee Kim Sai	5/5
Mr Low Gee Teong	4/5
Mdm Woon Siew Choo	5/5
Mdm Oh Leen May	5/5

The Board papers included amongst others, the Group's strategic plans, financial results, minutes and recommendations of the Audit Committee meetings, review of the operations and performance of the various business divisions of the Group, the Group's annual budget and business plans, acquisition and disposal of properties of substantial values, corporate plans and proposals.

The Directors have access to all information within the Group and the advice and services of the senior managers as well as

## STATEMENT ON CORPORATE GOVERNANCE

the joint Company Secretaries in carrying out their duties. The Company Secretaries are responsible for ensuring that the Board Meetings are properly convened, conducted and applicable rules and regulations pertaining thereto are complied with.

Where necessary, the Directors may obtain independent professional advice in furtherance of their duties, at the Company's expense.

### 3. APPOINTMENT AND RE-ELECTION

The Remuneration & Nomination Committee ("R&N Committee") which was established in the last quarter of year 2001 is responsible for recommending candidates for appointment to the Board. The actual decision as to who shall be appointed to the Board shall be the responsibility of the full Board after considering the recommendation of the R&N Committee.

The Company's Articles of Association provides that at least one third of the Board of Directors shall retire from office provided always that all directors shall retire from office at least once in every three years. A director who is retiring by rotation is eligible for re-election. Directors over the age of 70 years are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965. All new directors who are appointed by the Board are subject to re-election by the shareholders at the next Annual General Meeting subsequent to their appointment.

At the 43rd Annual General Meeting held on 29 June 2004, Mr Low Gee Tat and Tan Sri Dato' Lee Kim Sai who retired pursuant to the Articles of Association of the Company and offered themselves for re-election were re-elected to the Board. Tan Sri Datuk Seri (Dr) Chong Hon Nyan and Tan Sri Dato' Hanafiah Hussain who are over the age of 70, retired pursuant to Section 129 of the Companies Act, 1965 and offered themselves for re-appointment, were re-appointed to the Board.

### 4. BOARD COMMITTEES

The **Executive Committee** comprises the Managing Director, 4 Executive Directors and 2 Executive Directors from subsidiary companies. The Committee is responsible for overseeing the day-to-day operations and affairs of the Group and making operational decisions. It also assists the Board in implementing the strategic plans and policies of the Group, identifying business risks, monitoring performance results and budgets, financial decisions, major capital expenditure, major investments or divestment or any other significant operational processes affecting the Group, formulating the broad framework of key policies and procedures, management controls and structures, approval authority limits and key performance indicators for the Board's approval. The Committee also reviews the terms and conditions of service and policies affecting employees of the Group, or relating to the engagement of consultants, contractors and legal or professional advisers. It reports to the Board the significant activities undertaken by the Committee and when necessary, will make appropriate recommendations for the Board's approval.

The members of the Executive Committee are as follows:

**Dato' Jeffrey Ng Tiong Lip**, Managing Director (Chairman)

**Mr Low Gee Tat**, Executive Chairman,  
Executive Chairman of Hotel Division

**Mr Low Gee Teong**, Executive Director

**Mdm Woon Siew Choo**, Executive Director

**Mdm Oh Leen May**, Executive Director

**Mdm Low Su Ming**, Executive Director \*

**Mr Low Gee Soon**, Executive Director \*

\* Executive Director of subsidiary companies

The **Audit Committee** was established on 23 May 1994 to assist the Board in fulfilling its responsibilities relating to financial reporting and internal audit functions. Further details on the composition, terms of reference and the report of the activities of the Audit Committee are as set out in pages 28 to 30 of the Annual Report.

The **Remuneration and Nomination Committee** ("R&N Committee") was established on 26 November 2001. The Committee comprises wholly Independent Non-Executive Directors. Under the terms of reference of the R&N Committee, its functions include recommending candidates for appointment to the Board and for Directors to fill up the seats on Board Committees, assisting the Board in annually reviewing the effectiveness of the Board as a whole, the Committees of the Board, and the contribution of each individual director and annually reviewing the required mix of skills and experience and other qualities which Directors should bring to the Board and also recommending to the Board on the remuneration package to be extended to Executive Directors.

The members of the R&N Committee are as follows:

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan** (Chairman)  
**Tan Sri Dato' Hanafiah Hussain**

The **ESOS Committee** was established on 26 November 2001. The committee comprises of two Independent Non-Executive Directors, and two Executive Directors. The Committee is primarily responsible for administering the Employees Share Option Scheme ("ESOS") in such manner as it shall deem fit in accordance to the terms and conditions of the ESOS Bye-Laws.

The members of the Committee are as follows:

**Tan Sri Datuk Seri (Dr) Chong Hon Nyan**  
**Tan Sri Dato' Hanafiah Hussain**  
**Mr Low Gee Teong**  
**Mr Low Gee Soon**

### 5. DIRECTORS' TRAINING AND ORIENTATION OF NEW DIRECTORS

All the Directors of the Company including the members of the Executive Committee have attended the Mandatory Accreditation Programme conducted by Bursatrade Sdn Bhd (formerly known as KLSE Training Sdn Bhd), an affiliate company of the Bursa Malaysia by January 2002. The Directors are attending the Continuing Education Programme ("CEP") conducted and organized by CEP trainers accredited by the Bursa Malaysia. The Directors are also encouraged to attend any other relevant training programme to further enhance their knowledge in the latest developments relevant to the Group particularly in the areas of corporate governance and regulatory development to enable them to discharge their responsibilities more effectively.

As part of the Board policy, it is the responsibility of the Chairman of the Board to ensure that newly appointed directors are provided with the appropriate orientation involving briefing the new director on the corporate structure and business of the Group and introduction to the other directors and senior management staff.

### 6. DIRECTORS' REMUNERATION

The Group's policy on Directors' remuneration is to ensure that the Directors are adequately remunerated for the services they render in light of their performance and experience.

The broad framework of the remuneration policy encompasses the following key elements:

- Executive Directors are provided with a remuneration package which include a fixed salary and benefit-in-kind in

## STATEMENT ON CORPORATE GOVERNANCE

accordance to the Executive Directors' remuneration policy. The component parts of the Executive Directors' remuneration scheme are linked to individual performance, seniority in service, experience and scope of responsibility. Performance shall be measured against performance targets set out in the Company's annual budget plans. The remuneration package of the Executive Directors shall be recommended by the R&N Committee to the Board for its approval.

- Non-Executive Directors are paid Directors' fees and attendance/meeting allowance for attendance of Board and Audit Committee Meetings. The level of Directors' fees for the Non-Executive Directors reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director. The determination of the Directors' fees of Non-Executive Directors shall be decided by the Board as a whole. The directors' fees are approved by shareholders at the Annual General Meeting.
- Directors involved shall not participate in decisions by the Board on their own Directors' fees or remuneration package.

In line with the Listing Requirements, a summary of the aggregate remuneration of the Executive Directors and Non-Executive Directors in the form of remuneration, fees and meeting allowances and benefits-in-kind respectively for the financial year ended 31 December 2004, received from the Company and/or subsidiary companies distinguishing between Executive and Non-Executive Directors are set out below:

Directors	Emolument RM	Benefits- in-kind RM	Directors' fees & meeting allowances RM	Total RM
Executive Directors	1,809,782.80	41,356.00	-	1,851,138.80
Non-Executive Directors	-	-	104,500.00	104,500.00
<b>Total</b>	<b>1,809,782.80</b>	<b>41,356.00</b>	<b>104,500.00</b>	<b>1,955,638.80</b>

The number of Directors whose total remuneration falls within the following bands are as follows:

Remuneration bands	Number of Directors	
	Executive	Non-Executive
Less or equal to RM50,000	-	3
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	-
RM350,001 to RM400,000	1	-
RM800,001 to RM850,000	1	-

### C. ACCOUNTABILITY AND AUDIT

#### 1. FINANCIAL REPORTING

The Board acknowledges its responsibility for providing a balanced and understandable assessment of the Group's financial position and prospects. This assessment is primarily provided through the financial statements, the Chairman's Statement and Managing Director's Report on the results of the operations of the Group.

#### 2. DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act, 1965 requires Directors to prepare financial statements, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cashflow of the Group and of the Company for the financial year.

In preparing the annual audited financial statements for the financial year ended 31 December 2004, the Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors are satisfied that suitable accounting policies have been consistently applied in respect of the preparation of the annual financial statements.

The Directors are also satisfied that the Company is maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company has taken reasonable steps in the prevention and detection of fraud and other irregularities.

The Directors' Responsibility Statement in relation to preparing annual audited financial statements and the Statement by Directors pursuant to Section 169 of the Companies Act, 1965 are set out on pages 30 and 52 of the Annual Report respectively.

#### 3. INTERNAL CONTROL

The Directors acknowledge their overall responsibility to maintain an adequate system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management and reviewing its effectiveness throughout the Group. However, such a system is designed to manage risk rather than eliminate risks of failure to achieve business objectives and provide only reasonable assurance, but not absolute assurance against material misstatement or loss.

The Statement of Internal Control is set out on pages 27 to 28 of this Annual Report.

#### 4. AUDIT COMMITTEE

The Audit Committee comprising three Independent Non-Executive Directors and the Managing Director, has been established under approved terms of reference. The composition and terms of reference of the Audit Committee and the Report of the Audit Committee are set out on pages 28 to 30 of the Annual Report. The recommendations of the Audit Committee are formally tabled to the Board for its approval for further action to be taken, where applicable.

#### 5. RELATIONSHIP WITH EXTERNAL AUDITORS

Through the Audit Committee, the Board has established a formal, transparent and appropriate relationship with the External Auditors in seeking professional advice and ensuring compliance with applicable accounting standards in Malaysia. The Audit Committee meets with the External Auditors at least once a year to facilitate an exchange of views on issues requiring attention.

The Group's independent External Auditors fill in an essential role for the shareholders by enhancing the reliability of the Group's financial statement and giving assurance of that reliability to users of these financial statements. The External Auditors have an obligation to bring any significant defects discovered in the course of their audit of the Group's system of internal control and compliance to the attention of Management, the Audit Committee and the Board.

### D. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Company is committed to ongoing communication with its shareholders and this is achieved principally through the Annual and Quarterly Reports, Annual General Meetings and announcements on significant company developments, events or transactions.

## STATEMENT ON CORPORATE GOVERNANCE

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with individual shareholders providing for an opportunity for the Board and the shareholders to communicate directly to one another. At least 21 days prior to the AGM, the Annual Reports of the Company shall be mailed to the shareholders to inform them of the financial performance of the Company and other corporate information relating to the Group. The shareholders at the AGM and general meetings of the Company are given an opportunity to seek clarification in relation to the resolutions proposed, the annual audited financial statements of the Group, the business and performance of the Group and to exchange views with the Board members in attendance. Where applicable, the Board may consider the suggestions given by the shareholders during the meeting. The Company also issues quarterly unaudited financial results, audited financial statements, circulars and announcements on significant transactions and events for release to its investors via the Bursa Securities.

A press conference will be held, if necessary, after the AGM to brief the members of the Press on the performance of the Group for the benefit of potential investors as well as shareholders who are unable to attend the meetings.

The corporate, financial and market information of the Company are accessible from the Bursa Securities website at <http://www.bursamalaysia.com>. The Company has established its corporate website at <http://www.apland.com.my> for investors and shareholders to access corporate information on the Company and the Group.

The Company shall hold an open dialogue with its institutional shareholders upon request or when the need arises. The Company will be mindful in ensuring that information to be disseminated during such dialogue sessions comply with the Listing Requirements.

Any queries or concerns regarding the Company may be conveyed in writing to the following :

**Managing Director**  
**Asia Pacific Land Berhad**  
49th Floor, Empire Tower,  
City-Square Centre,  
Jalan Tun Razak,  
50400 Kuala Lumpur.

## ADDITIONAL INFORMATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

### 1. UTILISATION OF PROCEEDS

The balance proceeds of RM3,000,000 received from the disposal of APL Plantations Sdn Bhd and APL Resources Sdn Bhd in respect of the financial year ended 31 December 2004 have been utilised as working capital for the Group.

### 2. SHARE BUY BACK

The Company has not purchased any of its shares during the financial year.

### 3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no Employees' Share Option Scheme ("ESOS") share options granted to Eligible Employees or exercised during the financial year.

The Company did not issue any warrants or convertible securities during the financial year.

Further information on the ESOS is set out on pages 50 to 51 of the Annual Report.

### 4. AMERICAN DEPOSITORY RECEIPT ("ADR") / GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR programme.

### 5. SANCTIONS AND/OR PENALTIES

There were no major sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by the relevant regulatory bodies so as to disrupt the business of the Company and/or its subsidiaries during the financial year.

### 6. NON-AUDIT FEES

The non-audit fees paid to External Auditors for the financial year was as follows:

Auditors	Description of work done	Fees paid (RM)
Yong Siew Wah & Company	Projected Gross Development Value of Future Development Projects	4,500.00

### 7. VARIATION IN RESULTS, PROFIT ESTIMATE, FORECAST OR PROJECTION

AP Land has not made any profit estimate, forecast or projection in respect of the abovementioned financial year.

There is no variance between the results reported for the financial year and the unaudited results previously announced.

### 8. PROFIT GUARANTEE

No profit guarantee was given by the Company and/or its subsidiaries in respect of the financial year.

### 9. REVALUATION POLICY

The Group's revaluation policy is to revalue its landed properties every 3 years. The next revaluation exercise to be carried out by the Group is expected to be for the year ending 31 December 2005.

### 10. MATERIAL CONTRACTS

The material contracts of AP Land and its subsidiaries involving Directors' and major shareholders' interests either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year are as follows:

The significant recurrent and non-recurrent related party transactions and related party balances and advances in respect of the year ended 31 December 2004 are disclosed on pages 83 to 88 of the Annual Report.

### 11. CONFLICT OF INTEREST

During the financial year, the Directors of AP Land, Mr Low Gee Tat, Dato' Jeffrey Ng Tiong Lip and Mr Low Gee Teong and the directors of the subsidiary companies, Mdm Low Su Ming and Mr Low Gee Soon and the deemed substantial shareholder of AP Land, Tan Sri Dato' Low Yow Chuan are directors and/or substantial shareholders in several private limited companies in the Low Yat Group which are also involved in property development, property investment and management and hotel business that are similar to the core businesses of the Company



## ADDITIONAL INFORMATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

and/or its subsidiaries.

Mr Low Gee Tat is the brother of Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon and the cousin of Dato' Jeffrey Ng Tiong Lip. Mr Low Gee Tat, Mr Low Gee Teong and Mr Low Gee Soon are also deemed substantial shareholders of AP Land. Tan Sri Dato' Low Yow Chuan who is a deemed substantial shareholder of the Company is the father of Mr Low Gee Tat, Mr Low Gee Teong, Mdm Low Su Ming and Mr Low Gee Soon and the uncle of Dato' Jeffrey Ng Tiong Lip.

### 12. DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE IN RESPECT OF YEAR 2004

Details of significant recurrent related party transactions of a revenue or trading nature involving the interests of Directors, major shareholders or persons connected with Directors and / or major shareholders of the Company and/or its subsidiary companies ("Related Parties") for the year ended 31 December 2004 as disclosed as follows: -

Nature of transactions undertaken by AP Land Group	Subsidiaries of AP Land Group involved	Related Party with whom transactions are entered into or contemplated by the AP Land Group with all classes of related parties inclusive of	Aggregate Value of Transactions (RM'000)	Interested Directors, major shareholders and persons connected with them
1. Letting of business premises, office space, storage space, properties, facilities and equipment	City Square Properties Sdn Bhd ("CSP")	LYCC <sup>*1</sup> , MCSB <sup>*2</sup> , IJD <sup>*3</sup> , LYSR <sup>*4</sup> , SSI <sup>*5</sup> , LGSDSB <sup>*6</sup>	1,195	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
	Empire Tower (Malaysia) Sdn Bhd ("ETM")	MMSSB <sup>*7</sup>	60	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
2. Renting of business premises, office space, storage space, properties, facilities and equipment	APL Hotel Sdn Bhd ("APLH")	HFL <sup>*8</sup>	14	LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> and LGSoon <sup>*20</sup>
	APLH	ODSB <sup>*9</sup>	49	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
3. Renting of equipment from a related party	CSP	LYSR <sup>*4</sup>	117	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
4. Procurement of hotel management and related ancillary services from a related party	APLH and Island Bay Resorts Sdn Bhd (formerly known as Mount Pleasure Corporation Sdn Bhd)	MMSSB <sup>*7</sup>	722	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
5. Procurement of share registration services from a related party	AP Land	BSSB <sup>*10</sup>	17	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
6. Procurement of legal services from a related party	CSP	PFAM <sup>*11</sup>	26	Cheng Mai <sup>*11</sup>
7. Supply of nursery products and landscaping to related parties	RLSB	IJD <sup>*3</sup> , LYSR <sup>*4</sup> , SSI <sup>*5</sup> and LYCI <sup>*12</sup>	346	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>
8. Purchase of products and supplies for the operations of the hotels such as wine from a related party	APLH and Island Bay Resorts Sdn Bhd (formerly known as Mount Pleasure Corporation Sdn Bhd)	The Cellarium <sup>*13</sup>	102	Martha Yang <sup>*13</sup> , Ng Chiew Ping <sup>*13</sup> and Ng Tiong Yee <sup>*13</sup>
9. Purchase of merchandise such as perfume and scented candle on consignment basis from a related party	APLH	Commune Products <sup>*17</sup>	3	LGTat <sup>*17</sup>
10. Advertising and promotional services	CSP	CHSB <sup>*14</sup> , IJD <sup>*3</sup> , MCSB <sup>*2</sup> , FHSB <sup>*15</sup> , LYSR <sup>*4</sup> , MMSSB <sup>*7</sup> and SSI <sup>*5</sup>	32	TSDLYC <sup>*16</sup> , LGTat <sup>*17</sup> , LGTeong <sup>*18</sup> , LSMing <sup>*19</sup> , LGSoon <sup>*20</sup> and DJNTL <sup>*21</sup>

## ADDITIONAL INFORMATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

### Notes: -

- \*1 Low Yat Construction Company Sdn Bhd ("LYCC") is a major shareholder of AP Land.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Gee Soon, LYSR and SSI have an interest in the shares of LYCC by virtue of Section 6A of the Companies Act, 1965 ("the Act").  
The directors of LYCC are Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon.
- \*2 Malayan Coffee Sdn Bhd ("MCSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of MCSB by virtue of Section 6A of the Act.  
The directors of MCSB are Low Su Ming and Low Gee Soon.
- \*3 Indah Jaya Development Sdn Bhd ("IJD") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of IJD by virtue of Section 6A of the Act.  
The directors of IJD are Low Gee Teong, Low Su Ming and Low Gee Soon.
- \*4 Low Yat And Sons Realty Sdn Bhd ("LYSR") is a deemed major shareholder of AP Land.  
LYSR has an interest in the shares of LYCC by virtue of Section 6A of the Act.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of LYSR by virtue of Section 6A of the Act.  
The directors of LYSR are Tan Sri Dato' Low Yow Chuan, Dato' Jeffrey Ng Tiong Lip, Low Gee Tat and Low Gee Teong.
- \*5 Sem Siong Industries Sdn Bhd ("SSI") is a deemed major shareholder of AP Land.  
SSI has an interest in the shares of LYCC by virtue of Section 6A of the Act.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of SSI by virtue of Section 6A of the Act.  
The directors of SSI are Tan Sri Dato' Low Yow Chuan, Dato' Jeffrey Ng Tiong Lip, Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon.
- \*6 LGS Development Sdn Bhd ("LGSDSB") is a company in which Low Gee Soon is a director and major shareholder.
- \*7 Merdeka Management Services Sdn Bhd ("MMSSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of MMSSB by virtue of Section 6A of the Act.  
The directors of MMSSB are Low Gee Tat and Low Su Ming and the alternate directors are Dato' Jeffrey Ng Tiong Lip and Woon Siew Choo.
- \*8 Hotel Fair Lane Sdn Bhd ("HFL") is a company in which Low Su Ming and Low Gee Soon are directors.  
Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon are major shareholders of HFL.
- \*9 Oriental Development Sdn Bhd ("ODSB") is a company in which Tan Sri Dato' Low Yow Chuan, Low Su Ming and Low Gee Soon are directors.  
Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon are major shareholders of ODSB.
- \*10 Bena Sakti Sdn Berhad ("BSSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of BSSB by virtue of Section 6A of the Act.  
The directors of BSSB are Low Su Ming and Low Gee Soon.
- \*11 Puthuchearry Firoz Asmet & Mai ("PFAM") is a firm in which Low Gee Soon's wife, Cheng Mai, is a partner.
- \*12 L.Y.C Incorporation Sdn Bhd ("LYCI").  
LYSR, Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon have an interest in the shares of LYCI by virtue of Section 6A of the Act.  
The directors of LYCI are Low Gee Soon and Low Su Ming.
- \*13 The Cellarium Sdn Bhd ("The Cellarium") is a company in which Martha Yang and Ng Chiew Ping are directors and major shareholders and Ng Tiong Yee is a major shareholder of the Company. Martha Yang is the wife of Dato' Jeffrey Ng Tiong Lip. Dato' Jeffrey Ng Tiong Lip is the brother of Ng Chiew Ping and Ng Tiong Yee.
- \*14 Capitol Hotel Sdn Bhd ("CHSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of CHSB by virtue of Section 6A of the Act.  
The directors of CHSB are Low Gee Tat, Low Su Ming and Low Gee Soon.
- \*15 Federal Hotels Sdn Bhd ("FHSB") is a subsidiary of LYSR.  
Tan Sri Dato' Low Yow Chuan, Low Gee Tat, Low Gee Teong and Low Gee Soon have an interest in the shares of FHSB by virtue of Section 6A of the Act.  
The directors of FHSB are Tan Sri Dato' Low Yow Chuan, Dato' Jeffrey Ng Tiong Lip, Low Gee Tat and Low Su Ming.
- \*16 Tan Sri Dato' Low Yow Chuan ("TSDLYC") is a deemed major shareholder of AP Land.  
TSDLYC has an interest in the shares of LYCC, LYSR, LYCI, MCSB, IJD, SSI, MMSSB, BSSB, CHSB & FHSB by virtue of Section 6A of the Act.  
TSDLYC is the father of Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon and also the uncle of Dato' Jeffrey Ng Tiong Lip.
- \*17 Low Gee Tat ("LGTat") is a director and deemed major shareholder of AP Land.  
LGTat has an interest in the shares of LYCC, LYSR, LYCI, MCSB, IJD, SSI, MMSSB, BSSB, CHSB and FHSB by virtue of Section 6A of the Act.  
LGTat is a major shareholder of HFL, LYCI and ODSB and a director of CHSB, FHSB, LYSR, LYCC, MMSSB and SSI.  
LGTat is the brother of Low Gee Teong, Low Su Ming and Low Gee Soon and the son of Tan Sri Dato' Low Yow Chuan and the cousin of Dato' Jeffrey Ng Tiong Lip.  
LGTat owns a business called Commune Products.
- \*18 Low Gee Teong ("LGTeong") is a director and deemed major shareholder of AP Land.  
LGTeong has an interest in the shares of LYCC, LYSR, LYCI, MCSB, IJD, SSI, MMSSB, BSSB, CHSB and FHSB by virtue of Section 6A of the Act.  
LGTeong is a major shareholder of HFL, LYCC, LYCI and ODSB and a director of IJD, LYSR, LYCC and SSI.  
LGTeong is the brother of Low Gee Tat, Low Su Ming and Low Gee Soon and the son of Tan Sri Dato' Low Yow Chuan and the cousin of Dato' Jeffrey Ng Tiong Lip.
- \*19 Low Su Ming ("LSMing") is a shareholder of AP Land and a director of certain subsidiary companies in AP Land Group.  
LSMing is a major shareholder of HFL, LYCI and ODSB and a director of BSSB, CHSB, FHSB, HFL, IJD, LYCC, LYCI, MMSSB, MCSB, ODSB and SSI.  
LSMing is the sister of Low Gee Tat, Low Gee Teong and Low Gee Soon and the daughter of Tan Sri Dato' Low Yow Chuan and the cousin of Dato' Jeffrey Ng Tiong Lip.  
LSMing is a shareholder of CHSB.

## ADDITIONAL INFORMATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

*\*20 Low Gee Soon ("LGSoon") is a deemed major shareholder of AP Land and he is a director of certain subsidiary companies in AP Land Group.*

*LGSoon has an interest in the shares of LYCC, LYSR, LYCI, MCSB, IJD, SSI, MMSSB, BSSB, CHSB and FHSB by virtue of Section 6A of the Act.*

*LGSoon is a major shareholder of HFL, LYCI and ODSB and a director of BSSB, CHSB, HFL, IJD, LYCC, LYCI, MCSB, ODSB and SSI.*

*LGSoon is the brother of Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon and the son of Tan Sri Dato' Low Yow Chuan and the cousin of Dato' Jeffrey Ng Tiong Lip.*

*\*21 Dato' Jeffrey Ng Tiong Lip ("DJNTL") is a managing director of AP Land.*

*DJNTL is a director of FHSB, LYSR and SSI and alternate director of MMSSB.*

*DJNTL is the nephew of Tan Sri Dato' Low Yow Chuan, cousin of Low Gee Tat, Low Gee Teong, Low Su Ming and Low Gee Soon.*

*DJNTL is deemed interested in the transactions by virtue of the abovementioned relationship with the major shareholders or deemed major shareholders, LYCC, LYSR, SSI, TSDLYC, LGTat, LGTeong and LGSoon.*

## STATEMENT ON INTERNAL CONTROL

### RESPONSIBILITY

The Board of Directors recognises the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility to maintain an adequate system of internal control and risk management and reviewing its effectiveness throughout the Group. However, such a system is designed to manage risk rather than eliminate risk of failure to achieve business objectives and provide only reasonable assurance, but not absolute assurance against material misstatement or loss.

The Board exercises control through an organisational structure with clearly defined levels of responsibility, authority and appropriate reporting procedures. The Group has in place an on-going process of identifying, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives. The Audit Committee performs regular reviews of this process through independent internal audit reports and reports and explanations from the Managing Director and senior management staff.

### RISK MANAGEMENT FRAMEWORK

The system of internal control not only covers financial controls but also operational and compliance controls and risk management. It involves each business and its key management, including the Board and is designed to meet the Group's particular needs, manage the risks they are exposed to and ensure compliance with applicable laws and regulations.

The Board has reviewed the key commercial and financial risks facing the Group's business together with more general risks such as those relating to compliance with laws and regulations. The monitoring, reviewing and reporting process have been put in place to give reasonable assurance that the structure of controls and operations is appropriate to the Group's operations situation

and that there is an acceptable level of risk throughout the Group's business.

The management is responsible for continually promoting the culture of risk awareness and building the necessary knowledge and improving the process of risk management in identifying, mitigating and monitoring risks.

### KEY ELEMENTS TO THE GROUP'S INTERNAL CONTROL SYSTEM

The key elements and processes in place are as follows :

1. Clearly defined delegation of responsibilities to committees of the Board namely, Executive Committee, Audit Committee, Remuneration and Nomination Committee and ESOS Committee and to operating units, including authorisation levels for all aspect of the business.
2. Documented internal control procedures set out in operation manuals, guidelines and directives are issued and updated from time to time. A uniform and comprehensive manual in respect of all core businesses and functional divisions within the Group has been reviewed by the Executive Committee. This manual serves as a reference point and guide for all employees of the Group, irrespective of level or seniority.
3. Internal audit function adopts a risk-based approach towards the planning and execution of the audit process. The annual audit plan is approved by the Audit Committee and the progress of audits carried out as planned as well as special and ad-hoc assignments carried out when necessary are reported at each Audit Committee meeting.

Detailed audit reports are deliberated and follow-up action monitored by the Working Group on a regular monthly basis

## STATEMENT ON INTERNAL CONTROL

and additionally on other audit issues. This process closely monitors compliance with policies and procedures and assess the integrity of financial information.

4. Detailed budgetary process involving preparation by the operating units are reviewed by the Executive Committee and approved by the Board. This process ensures a clear direction for all operating units to work cohesively towards meeting the business objectives of the Group, having assessed the inherent risks and the planning of necessary action plans thereof.
5. Regular and comprehensive financial and management information is provided to management covering actual

performance against budgets or plans, financial forecast and projections and key business indicators to constantly keep track of directions in which the Group is heading and the decisive actions to be taken thereof.

Financial and treasury matters are also reported to the Board in conjunction to the presentation and approval of quarterly results and the briefing on action plans taken.

6. Executive Board and senior management regularly visit operating units besides requiring prompt reporting from these units on a daily, weekly and monthly basis. The management of operating units at various levels are also required to report on a monthly basis at meetings held at the Headquarters.

## AUDIT COMMITTEE REPORT

The Audit Committee of Asia Pacific Land Berhad is pleased to present its report for the year ended 31 December 2004.

### COMPOSITION

The Audit Committee was established by the Board of Directors of AP Land on 23 May 1994. The Audit Committee comprises 4 Directors, a majority of whom are independent.

Members Of The Committee:

1. **Tan Sri Datuk Seri (Dr) Chong Hon Nyan** - Chairman, Independent Non-Executive Director
2. **Tan Sri Dato' Hanafiah Hussain** - Member, Independent Non-Executive Director
3. **Tan Sri Dato' Lee Kim Sai @ Lee Hoo** - Member, Independent Non-Executive Director
4. **Dato' Jeffrey Ng Tiong Lip** - Member, Managing Director

### TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

#### 1. Objectives Of The Committee

- Assist the Board of Directors in discharging its fiduciary responsibilities relating to corporate accounting, system of internal controls and management and financial reporting practices of the Group;
- Evaluate the scope and quality of the audits conducted by the Internal and External Auditors;
- Provide assurance that the financial information presented by management is relevant, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct;
- Determine the adequacy of the Company's control environment;
- Provide assurance that the assets, liabilities, revenue, expenses and cash flow of the Group are properly managed.

#### 2. Size And Composition

The Board shall by resolution appoint members to the Audit Committee, which shall comprise at least three directors, the majority of whom shall be independent non-executive directors. At least one member of the Committee must be a member of Malaysian Institute of Accountants or has such other qualifications and working experience as stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad ("the Listing Requirements").

No alternate directors shall be appointed as a member of the Committee. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

#### 3. Term Of Membership

Members of the Committee shall be appointed for an initial term of 3 years after which they will be reappointed on such terms as may be determined by the Board of Directors.

Any vacancy in the office of an Audit Committee resulting in the size of the Audit Committee falling below the minimum required shall be filled within 3 months from the date the vacancy occurs. The term of office and the performance of each of its members shall be reviewed at least once every three years by the Board of Directors.

#### 4. Meetings

The Committee shall hold at least five regular meetings per year, and such additional meetings as the Chairman shall decide in order to fulfill its duties or if requested to do so by any committee member, the management or the Internal or External Auditors. The Committee may invite any director, employee or any other person to be in attendance to assist it in its deliberations. The Committee shall meet with the External Auditors without any Executive Director present at least once a year.

Unless otherwise determined by the Audit Committee from time to time, notice of all Audit Committee's meetings shall be given to all the members at least 3 days before the meeting either personally or by electronic or facsimile transmission.

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two.

The Chairman of the Audit Committee shall preside as a Chairman at every Audit Committee meeting of the Company or if the Chairman is absent from the meeting, the members present shall elect a Chairman from amongst the Independent Directors.

The Company Secretary or any person appointed by the Committee for this purpose shall act as secretary of the Committee.

Any questions arising at any meeting shall be decided by a majority of votes and a determination by a majority of members shall be for all purposes a determination of the Committee.



# AUDIT COMMITTEE REPORT

Minutes of the Meeting shall be kept and circulated to each member. The Chairman of the Committee shall report on each meeting to the Board.

## 5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

## 6. Resources And Access

The Committee shall be entitled to such resources as may be adequately provided by the Board of Directors for the performance of the Committee's duties.

The Committee shall have full and unrestricted access to all information and documents pertaining to the Group that are relevant to its activities and direct communication channels with the Internal and External Auditors and to the senior management of the Group. The Committee is also authorised to take such independent professional, legal or other advice as it considers necessary.

## 7. Delegation Of Duties

The Audit Committee shall have the power to delegate to a sub-committee any of the duties of the Committee.

## 8. Scope And Functions

The scope and functions of the Audit Committee shall be:

- a) To discuss with the External Auditors, where necessary the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved;
- b) To review with the External Auditor:
  - his evaluation of the system of the internal controls;
  - the assistance given by the Group's employees to the External Auditors;
- c) To discuss problems and reservations arising from the interim and final audit findings and any matters reported by the External Auditors;
- d) To review the audit reports prepared by the External Auditors and the major findings and management's responses thereto;
- e) To review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
  - i) Changes in or implementation of major accounting policies and practices;
  - ii) Significant and unusual events;
  - iii) Significant adjustment arising from the audit;
  - iv) Compliance with accounting standards and other regulatory requirements; and
  - v) The going concern assumption.
- f) To consider the appointment and any questions of resignation or dismissal of the External Auditors;
- g) In relation to internal audit functions:
  - i) To review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - ii) To review and consider the scope and results of the internal audit plans and procedures;
  - iii) To consider any significant audit findings reported by

the internal auditor and management's response thereto and to ensure appropriate actions are taken on their recommendation;

- iv) To approve any appointment or termination of senior internal audit staff;
- v) To review any appraisal or assessment of the performance of senior internal audit staff and provide the resigning staff an opportunity to submit his/her reason for resignation.
- h) To review recurrent related party transaction of revenue or trading nature entered into by the Group, to prescribe guidelines and review procedures in respect of such transactions and to ascertain that such transactions are in compliance with the prescribed guidelines and review procedures;
- i) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- j) To prepare the Audit Committee Report in accordance with the Listing Requirements for publication in the Annual Report;
- k) To carry out such other responsibilities, functions or assignments as may be agreed to by the Committee and the Board;
- l) To report regularly to the Board its activities, significant results and findings.

## INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit Department ("IAD") which reports to the Audit Committee and assists the Committee in discharging its duties and responsibilities. The role of the IAD is to undertake independent and regular reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.

The IAD presented the Internal Audit Plan for year 2005 at the end of year 2004 to the Audit Committee for its approval. The Audit Plan is developed through a risk-based methodology to cover key operational and financial activities that are significant to the overall performance of the Group.

The IAD regularly submits the reports on their audit activities and the internal audit findings together with management's responses are tabled at the scheduled Audit Committee's meetings. Follow-up audits are then carried out to determine whether management has taken the recommended corrective actions. The Head of IAD attends the Audit Committee meetings to present the internal audit findings and make appropriate recommendations on any areas of concern within the Group for the Audit Committee's deliberation.

The IAD also executes audits on an ad-hoc basis based on specific directions made either by the Audit Committee or management. Additionally, the IAD works closely with the External Auditors to resolve any control issues raised by them and to assist in ensuring appropriate corrective actions are taken.

## REPORT OF THE ACTIVITIES OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2004

During the year, five Audit Committee meetings were held on 24 February 2004, 19 April 2004, 24 May 2004, 23 August 2004 and 22 November 2004.

## AUDIT COMMITTEE REPORT

The details of the attendance of the Audit Committee by the members of the Committee are as follows:

Name of Directors	Attendance at Audit Committee Meetings held in year 2004
Tan Sri Datuk Seri (Dr) Chong Hon Nyan	5/5
Tan Sri Dato' Hanafiah Hussain	5/5
Tan Sri Dato' Lee Kim Sai	5/5
Dato' Jeffrey Ng Tiong Lip	4/5

During the financial year ended 31 December 2004, the activities undertaken by the Audit Committee included the following :

The Audit Committee members reviewed the Quarterly Report of AP Land Group for the financial quarters ended 31 December 2003, the Audited Accounts of the Group for the year ended 31 December 2003, the Quarterly Reports of the Group for the financial quarters ended 31 March 2004, 30 June 2004 and 30 September 2004. The Audit Committee recommended to the Board to approve the financial statements for release to Bursa Securities.

The Committee had met with all the External Auditors of the Group once in year 2004 without executive board members present. The Committee discussed with the External Auditors the scope of their audit, their respective Auditors' Audit Planning Memorandum, the results of their examination, the External

Auditors' evaluation of the internal controls of the Group, issues highlighted by the External Auditors in the course of their audit, co-ordination of the subsidiaries' External Auditors with the holding Company's External Auditor and the External Auditor's management letter to the Company and management's response. The Audit Committee also reviewed together with the holding Company's Auditors, the audited financial statement of the Company in respect of the financial year ended 31 December 2004. The Audit Committee also considered and recommended for the re-appointment of the External Auditors and their audit fees for the Board's approval.

The Audit Committee reviewed and approved the Internal Audit Plan for 2005. They reviewed the internal audit reports together with the Internal Auditor and considered the major findings of internal audit in the Group's operating units and management's responses thereto. The Audit Committee assisted the Board in reviewing the Statement on Internal Control of the Company.

Related party transactions between the Group and its directors and any other person connected with the directors of the Group are reviewed by the Audit Committee in accordance with the review procedures established by the Group.

In carrying out the scope of their duties, the Audit Committee has reported to the Board its activities and made the appropriate recommendations to the Board for the necessary actions to be taken, where appropriate.

## STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year, and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimate that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and

- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# Company's Announcements

Released To The Bursa Malaysia Securities Berhad In 2004

## 2004

### FEBRUARY

- 6** Foreign Investment Committee granted a further extension of time for AP Land to achieve its bumiputra equity content of 30% by 31 December 2006.
- 24** Quarterly Report for the financial period ended 31 December 2003.
- 27** Letting of business premises to a related party.

### APRIL

- 20** Execution of a conditional supplemental agreement to the share sale agreement dated 13 October 2001 between Rawang Lakes Sdn Bhd, a wholly-owned subsidiary of AP Land and Abdul Samat bin Selamat, Arsat bin Haji Gomberi and Norisam bin Selamat for the acquisition of Wira Azimat Sdn Bhd.
- 23** Proposed Share Buy Back and Proposed Shareholders' Mandate for Existing and Proposed Recurrent Related Party Transactions for shareholders' approval.

### MAY

- 24** Quarterly Report for the financial period ended 31 March 2004.
- 31** New logo of Asia Pacific Land Berhad.

### JUNE

- 4** Notice of the 43rd Annual General Meeting and Extraordinary General Meeting of AP Land issued on 7 June 2004.
- 29** • 43rd Annual General Meeting of AP Land.  
• Extraordinary General Meeting of AP Land.
- 29** Press Release in respect of 2003 performance and future prospects and corporate direction.



The 43rd Annual General Meeting of AP Land held on 29 June 2004.

### JULY

- 1** Press Release in respect of the market launch of Perdana Park at Block 15, Bandar Tasik Puteri, Rawang.

### AUGUST

- 23** Quarterly Report for the financial period ended 30 June 2004.
- 30** Termination of the sale and purchase agreement dated 13 August 1997 between Elite Empire Sdn Bhd, a wholly-owned subsidiary of AP Land and a related party, Oriental Development Sdn Bhd in relation to the acquisition of land held under No. G.M. 732 No. Lot 6848, No. G.M. 460 No. Lot 2948 and No. G.M. 459 No. Lot 2837, Mukim Setapak, Wilayah Persekutuan.

### OCTOBER

- 15** Change of registered office address to Suites 704 & 705, 7th Floor, No. 11, Lorong Kinta, 10400 Penang.
- 28** Clarification of Article entitled: "SEA Property Draw" appearing on page 6 of The Edge Financial Daily which was published on 18 October 2004.

### NOVEMBER

- 9** Completion of the acquisition of Wira Azimat Sdn Bhd.
- 22** Quarterly Report for the financial period ended 30 September 2004.

### DECEMBER

- 16** Press Release entitled "AP Land's new debut; 'myHabitat' premier serviced quality residences".



Directors and senior management of AP Land attended an In-house Training Programme on Risk Awareness on 4 September 2004.